

CITY COUNCIL, CITY OF LODI  
CITY HALL COUNCIL CHAMBERS  
MARCH 15, 1972

A regular meeting of the City Council of the City of Lodi was held beginning at 8:00 p.m. on Wednesday, March 15, 1972 in the City Hall Council Chambers.

ROLL CALL

Present: Councilmen - EHRHARDT, HUGHES,  
KIRSTEN, SCHAFFER  
and KATNICH (Mayor)

Absent: Councilmen - None

Also present: City Manager Graves, Assistant  
City Manager Petersen, City Attorney Mullen,  
Planning Director Schroeder and Public Works  
Director Jones.

PLEDGE

Mayor Katnich led the Pledge of Allegiance to the  
flag.

MINUTES

On motion of Councilman Ehrhardt, Hughes second,  
the Council approved the Minutes of February 16,  
1972 as written and mailed.

On motion of Councilman Ehrhardt, Mayor Katnich  
second, the Council approved the Minutes of March 1,  
1972 as written and mailed.

PUBLIC HEARINGS

SPECIFIC PLAN -  
E. LOCKEFORD ST.  
RES. NO. 3606

Notice thereof having been published in accordance  
with law and affidavit of publication and declaration  
of mailing being on file in the office of the City  
Clerk, Mayor Katnich called for the public hearing  
on the recommendation of the Planning Commission  
to adopt a Specific Plan for the future development  
of East Lockeford Street between Cherokee Lane  
and Cluff Road.

Public Works Director Jones presented the recom-  
mendation of the Planning Commission, showing  
drawings of the proposed street plan.

No one in the audience wished to speak in favor  
of the Specific Plan.

Mrs. Dorothy McClaine, 5435 East Lockeford Street,  
spoke concerning the proposal. Mrs. McClaine  
stated that East Lockeford Street was badly in  
need of repairs and she requested the City to work  
with the County in an effort to improve the roadway.

City Manager Graves explained that this portion  
of East Lockeford Street is presently a County  
roadway, and he suggested Mrs. McClaine should  
contact San Joaquin County Supervisor Dan Parises  
concerning this problem. Councilmen Kirsten and  
Schaffer suggested City staff should discuss this  
complaint with appropriate County officials.

Minutes of March 15, 1972 continued

There being no other persons in the audience wishing to speak on the matter, the public portion of the hearing was closed.

After further discussion of the proposed Specific Plan, Councilman Kirsten moved adoption of Resolution No. 3606 recommending a Specific Plan for East Lockeford Street between Cherokee Lane and Cluff Road. The motion was seconded by Councilman Schaffer and carried by unanimous vote.

SPECIFIC PLAN -  
E. VINE STREET

RES. NO. 3607

Notice thereof having been published in accordance with law and affidavit of publication and declaration of mailing being on file in the office of the City Clerk, Mayor Katnich called for the public hearing on the recommendation of the Planning Commission to adopt a Specific Plan for the future development of East Vine Street between the Frontage Road and the future extension of Myrtle-Wells.

Public Works Director Jones discussed the proposed Specific Plan and presented a drawing of the street as proposed.

There being no persons in the audience wishing to speak on this matter, the public portion of the hearing was closed.

On motion of Councilman Schaffer, Hughes second, the City Council adopted Resolution No. 3607 recommending a Specific Plan for East Vine Street between the Frontage Road and the future extension of Myrtle-Wells.

NAME CHANGE-  
BECKMAN RD.

RES. NO. 3608

Notice thereof having been published in accordance with law and affidavit of publication and declaration of mailing being on file in the office of the City Clerk, Mayor Katnich called for the public hearing on the recommendation of the Planning Commission to change the name of the Frontage Road between Turner Road and Kettleman Lane to Beckman Road.

There being no persons in the audience wishing to speak on the matter, the public portion of the hearing was closed.

After Council discussion, on motion of Councilman Schaffer, Kirsten second, the City Council adopted Resolution No. 3608 changing the name of Frontage Road between Turner Road and Kettleman Lane to Beckman Road.

#### PLANNING COMMISSION

The City Manager gave the following report of the Planning Commission meeting of March 13, 1972:

Minutes of March 15, 1972 continued

MOLFINO  
REZONING  
REQUEST

The Planning Commission recommended the approval of the modified request of Mr. Lemoin Beckman by T. A. Molfino for the rezoning from the R-1 Single-Family Residential District to Planned Development District No. 8 (P-D(8)) for an 8.54 acre parcel on the north side of Edgewood Drive at Lakewood Drive between Lot 43 of Willow Glen Subdivision, Unit No. 1 and Lot 172 of Lakewood Subdivision, Unit No. 3 with certain conditions.

On motion of Councilman Kirsten, Schaffer second, the above matter was set for public hearing on April 18, 1972.

In connection with this request the Planning Commission approved the Tentative Map of the River Oaks Subdivision with certain conditions.

FLOODPLAIN  
PROPERTIES

The Planning Commission recommended that the City Council take positive action to acquire the entire floodplain properties of Mr. Lemoin T. Beckman, Mrs. Winifred B. Jones, Mrs. Margaret B. Devine and Mrs. Vivian M. Hughes which lie east of Lodi Lake Park between the City's levee and the Mokelumne River.

City Manager Graves reported that the City staff was presently preparing an application for Federal funds for acquisition of the above properties.

SHEPHARD  
REZONING  
REQUEST

The Planning Commission recommended the approval of the request of Mr. Thomas Shephard for RCA Global Communications Corporation for the rezoning from the I-PA, Interim Protective Agricultural District to the C-P, Commercial Professional District for a 600-foot by 725-foot parcel located at the southwest corner of Lower Sacramento Road and West Turner Road.

On motion of Councilman Kirsten, <sup>Schaffer</sup>~~Shephard~~ second, the above matter was set for public hearing on April 5, 1972.

OF INTEREST

Other actions of interest to the City Council were as follows:

1. Approved the request of Sanborn Chevrolet for a Use Permit for an automobile body and fender shop in conjunction with a proposed automobile agency on a 5.13 acre site on the east side of South Cherokee Lane north of Kettleman Lane in an area zoned C-2 General Commercial District with certain conditions.
2. Approved the request of Geweke Ford for a Use Permit for an automobile body and fender shop in conjunction with a proposed automobile agency at the northwest corner of South Cherokee Lane and Poplar Street in an area zoned C-2, General Commercial District.

Minutes of March 15, 1972 continued

3. Denied the request of Mr. Brad Frahm for the rezoning from the GA-5, General Agricultural District and the I-PA, Interim Protective Agricultural District to Planned Development District No. 7(P-D(7)) for a 32 acre parcel located at the southwest corner of West Lane (South Hutchins Street) and Harney Lane.
4. Denied the request of Mr. Gene Kramer for a change in zoning from R-1, Single-Family Residential District to P-D(9), Planned Development District No. 9 for a 390-foot by 446-foot parcel located on the west side of South Mills Avenue north of West Lodi Avenue.
5. Approved the request of Mr. Alvin Anderson for a Variance to reduce the required side yard from 5 feet to 3 feet to permit a room addition at 909 Wellswood Avenue in an area zoned R-MD, Medium Density Multiple Family Residential.
6. Recommended that the San Joaquin County Board of Zoning Adjustment approve the request of Mr. Norman Kaul for a Use Permit to expand an existing nursery on the south side of Harney Lane from the centerline of Wells Lane to 660 feet west of Wells Lane, southeast Lodi, in an area zoned I-PA, Interim Protective Agricultural.
7. Recommended that the San Joaquin County Board of Zoning Adjustment approve the request of Mr. Marvin Swan for a Variance to reduce the required lot width from 60 to 50 feet and the required side yard from 10 feet to 9 feet to permit the construction of a duplex on the east side of Chestnut Street north of Indiana Street, Town of Woodbridge, in an area zoned R-2, Residential District.
8. Recommended that the San Joaquin County Board of Zoning Adjustment approve the request of Mr. Edwin Prudhel for a Use Permit for the construction of a 40-foot by 60-foot building for the storage of three trucks (pickups) and refrigeration units on the east side of Beckman Road, 430 feet south of Kettleman Lane, southeast of Lodi in an area zoned I-PA, Interim Protective Agricultural.
9. Recommended that the San Joaquin County Board of Zoning Adjustment approve the request of Mr. Donald B. Phillips for a Use Permit for a roadside produce stand on the southwest corner of Harney Lane and West Lane, south of Lodi in an area zoned I-PA, Interim Protective Agricultural District.

Minutes of March 15, 1972 continued

# COMMUNICATIONS

## ABC LICENSE

An application for alcoholic beverage license was received for Martin P. Kuehnert, Lodi Orions, Lawrence Park, 350 North Washington Street, on-sale beer seasonal.

## PGE REQUEST INCREASE

A Notice was read of Pacific Gas and Electric Company's request filed with the California Public Utilities Commission requesting authorization to adopt a fuel cost adjustment for inclusion in its electric tariff.

## SUN WEST ANNEXATION PETITION RECEIVED

A petition was received from all of the owners of the land proposed to be annexed to the City as the "Sun West Addition." Said annexation was approved by the Local Agency Formation Commission of San Joaquin County on January 21, 1972. The Local Agency Formation Commission also granted the City power to waive notice and hearing on the proposed annexation pursuant to the provisions of 54797.1 of the Government Code.

City Manager Graves explained that the request for annexation included an area of approximately 27.56 acres, which included a 5-acre parcel to be used for development of the Sun West Swim and Racquet Club. He said that the City could not, at this time, provide storm drainage for this area unless the Master Plan for the storm drainage program is revised. He said the proponent, Mr. John Capell, had proposed providing some type of temporary basin for drainage of the area. Mr. Graves said the Sun West Swim and Racquet Club had requested the City to accept their 5-acre proposed development with temporary services for sewer and water for a two-year period, after which they would connect to the City's system. They also proposed providing for their own storm drainage with a ponding basin for an indefinite period of time. He pointed out that if the Club develops in the County, the City would have no control over the development which means it would not necessarily be developed to meet City standards. At such time as the property should be annexed this would create problems for the City. Even though he felt this was a premature development, he recommended approval of the annexation for the reasons stated above.

Councilman Kirsten said he was opposed to haphazard development in this area to accommodate one developer. He then reviewed the background of the present City policy concerning the storm drainage program and pointed out that when the bond issue was passed the priorities were established for storm drainage within the City. He felt these priorities should be met and said he was against deviation from the City's Master Drainage Plan.

Public Works Director Shelley Jones discussed the proposed annexation explaining that the Sun West Swim and Racquet Club proposed to provide their own septic

Minutes of March 15, 1972 continued

tank and a temporary water service from City mains. They would enter into an agreement to tie into the City's utility system within a two-year period. He suggested a bond could be furnished by Sun West if the Council desired this. He also pointed out that the temporary services being proposed were not to be furnished to the balance of the property to be developed by Mr. Capell.

City Attorney Mullen advised the Council that the request before them was for annexation of a parcel of land. He pointed out that development by Sun West Swim and Racquet Club would require a Use Permit with certain requirements attached thereto.

Mr. John Capell, 324 LaVida Drive, proponent of the annexation, stated the development was originally planned in the County. He said the request for the annexation was subject to facilities being available to the development by the City of Lodi, and unless he could share in the benefits of the annexation there was very little incentive for him to annex.

Public Works Director Jones again pointed out that the request before the Council at this time was only for annexation; terms for utility services would be worked out at the time a Use Permit is issued.

After further discussion by the Council, Councilman Hughes moved discussion on this matter be continued to the next regular meeting. The motion was seconded by Councilman Kirsten and carried by unanimous vote.

#### REPORTS OF THE CITY MANAGER

##### CLAIMS

Claims in the amount of \$178,876.92 were approved on motion of Councilman Kirsten, Ehrhardt second.

##### SANITARY CITY DISPOSAL CO.

City Manager Graves presented a study prepared by the Finance Director relating to rate setting for sanitary disposal companies. He reviewed the report and indicated there was a wide variation in the methods used by other cities in the setting of rates. In the report the Finance Director had recommended the City continue to use the 12% depreciated assets method in determining the rate of return to the Company. Mr. Graves suggested the City Council agree on a procedure to evaluate the rate of return allowable to the Company and defer evaluation of profits of the Company until the new audit report is received, which would be sometime after March 31, 1972.

Attorney Richard W. Johnson, 1149 North El Dorado Street, Stockton, representing the Sanitary City Disposal Company, was in the audience and addressed the Council concerning Mr. Wilson's report. Mr. Johnson said he agreed with the 14% Total Assets Method but

Minutes of March 15, 1972 continued

questioned if the formula proposed would apply to the Company's operation in the unincorporated area. He said he did concur with the City Manager's suggestion to discuss the Company's rates after the Company's financial statement for 1971-72 fiscal year has been submitted and studied by the City's staff. The Company's fiscal year ends March 31, 1972.

For the purpose of the record, the following persons were present and represented the interests of the Sanitary City Disposal Company: Mr. Rudolph Vaccarezza, owner of the Sanitary City Disposal Company; Mr. Daric DeBenedetti, Business Manager of the Sanitary City Disposal Company; Mr. Robert Mertz, Attorney representing Estate of Alfred Barsotti; and Mr. Clifton C. Hite, Accountant for the Sanitary City Disposal Company.

RECESS

At 10:02 p.m. the Mayor declared a recess and the Council reconvened at approximately 10:08 p.m.

SANITARY CITY  
DISPOSAL CO.  
(Cont'd.)

Councilman Kirsten said there seemed to be some misunderstanding about his role in the controversy concerning the Sanitary City Disposal Company's rates. He said he would like to clarify his position. He said he has no personal animosity against Mr. Vaccarezza, who had been a friend for many years as well as a close business associate. Councilman Kirsten said he believed Mr. Vaccarezza operates one of the finest waste disposal operations found anywhere. He said the Company is a public utility and had experienced unwarranted profits because it enjoys a monopoly; it was for this reason he had brought the matter to his fellow-councilmen's attention.

Councilman Kirsten discussed the Company's past 10-year profit record and pointed out that profits had increased sharply over the past few years. He noted profits of the Company for the past ten years had been as follows:

1962 - \$25,535.75	1967 - \$44,993.98
1963 - \$38,640.65	1968 - \$32,816.35
1964 - \$28,194.05	1969 - \$64,604.07
1965 - \$24,419.16	1970 - \$75,710.13
1966 - \$50,910.78	1971 - \$87,943.94

Councilman Kirsten felt these profits to be somewhat out of line and he suggested they were due in part to increases in commercial rates. He suggested that the formula devised for rate of return to the Company should be fair to both the people of the City of Lodi and to the operators of the Sanitary City Disposal Company.

In discussing the report submitted by the staff, Councilman Kirsten said he did not totally agree with the recommendation made by Mr. Wilson and Mr. Graves. He felt the Company should be treated

Minutes of March 15, 1972 continued

as a unitary business; the Company should not be allowed to acquire assets totally unrelated to the operation of the Company; interest should be deducted from the expenses; and the Company should continue to submit its tax returns to the City. Councilman Kirsten also suggested that when the franchise comes up for renewal, it should be put out for bid. He agreed the Total Assets Method outlined by the Finance Director's report would be acceptable with the above exceptions.

Mr. Clifton C. Hite, Accountant for the Sanitary City Disposal Company, discussed the "Total Assets Method" as proposed. He discussed the Company's increase in profits and attributed the increase to its operations outside the franchise area as well as its efficient operation. Mr. Hite also answered questions of the Council concerning depreciation and interest expense. He pointed out that the Total Assets Method allows for deduction of depreciation expense but not interest expense.

Attorney Robert Mertz, 121 West Pine Street, said he felt the Council was losing sight of the fact that profits vary from year to year. He said the basis for the formula they were trying to arrive at is to determine if the Company's rates are comparable with other cities. He said the rates appeared to be neither high nor low but "in between." He felt the formula established should not be rigid.

After further discussion by the Council, Councilman Hughes moved adoption of the 14% Total Assets Method with a five-year moving average. The motion was seconded by Councilman Ehrhardt.

Councilman Kirsten then moved, as a substitute motion, that the Council adopt as the City's policy relating to the rate of return for the Sanitary City Disposal Company the following formula:

(1) The 12% Total Assets Method with the understanding that interest will be deducted from the expenses; (2) assets not necessary to the direct or indirect operations of the Sanitary City Disposal Company's activities will be eliminated from the balance sheet for the purposes of this calculation; (3) the Company shall submit to the City of Lodi the tax returns of the Company, its stockholders and management employees as well as corrections made by Internal Revenue Services to the tax returns; (4) the business of the Sanitary City Disposal Company shall be considered a unitary business; and (5) five-year moving average be employed.

The motion was seconded by Councilman Schaffer and carried with Mayor Katnich voting no.



Minutes of March 15, 1972

AWARD DELAYED -  
TURNER ROAD  
DUCT & VAULT

City Manager Graves recommended deferring the award of the contract for the Turner Road duct and precast vault until the next Council. He explained that the necessary easement for installation of the duct and vault had not as yet been secured and it was hoped this problem would be resolved before the next meeting. He also requested the Council to approve condemnation proceedings, if necessary, to obtain the easement. City Attorney Mullen said he concurred with the City Manager's recommendations.

On motion of Councilman Schaffer, Ehrhardt second, the Council approved deferring award of the contract for the Turner Road duct and precast vault.

AUTHORIZE  
CONDEMNATION

The City Council on motion of Councilman Schaffer, Hughes second, then adopted Resolution No. 3609 authorizing condemnation of real property for the above easement.

RES. No. 3609

AWARD - DUMP  
TRUCK

City Manager Graves presented the following bids received for the dump truck and front-end loader:

RES. NO. 3610

Sanborn Chevrolet, Inc.	\$12,560.37
Peters Pontiac	13,227.20
Geweke Ford	13,737.96

The City Manager recommended the award be made to the low bidder for the amount of the bid.

On motion of Councilman Ehrhardt, Schaffer second, the Council adopted Resolution No. 3610 awarding the contract for the furnishing of the dump truck and front-end loader to Sanborn Chevrolet, Inc. for a total of \$12,560.37.

EXTENSION  
OF RETIREMENT -  
L. VEIL

Mr. Graves told the Council that Mr. Ludwig Veil, an employee in the Utilities Department would reach his 65th birthday on April 7, 1972. The City policy requires an employee to retire on the first of the month next succeeding his birthday. Mr. Veil would complete 25 years of service on June 9, 1972 and he has asked for an extension of his service until July 1, 1972 so that he might accomplish this. The City Manager felt it would be in the best interest of the City service to approve Mr. Veil's request. On motion of Councilman Ehrhardt, Schaffer second, the Council approved the extension of Mr. Veil's service until July 1, 1972.

FLOOD &  
MUDSLIDE  
INSURANCE

On motion of Councilman Kirsten, Ehrhardt second, the City Council adopted Resolution No. 3611 designating the City Manager as the local official with overall responsibility, authority and means to implement all the commitments made in the application for Federal flood and mudslide insurance.

RES. NO. 3611

Minutes of March 15, 1972 continued

DRAINAGE  
FEES

City Manager Graves stated the Public Works Director had recently completed a report on the current costs for completion of the Master Drainage Plan and a proposal had been developed for the institution of a drainage fee to recover some of the costs for current facilities and provide funds for continuing the system. He explained that when the remainder of the storm drainage bond monies have been expended with the 1971-72 budget, the City will have to consider financing future storm drainage improvements with an alternate method. He said alternates available were: (1) a second bond issue; (2) pay-as-you-go financing; and (3) a new source of funds developed that would be keyed to the City's developing drainage needs. He recommended the third alternative. He explained that this proposal calls for a fee of \$1,250. per acre to cover costs of providing drainage basins and trunk lines up to 30 inches. The \$1,250. figure is the overall average per acre cost to provide storm drainage within the City.

Public Works Director Jones discussed the report and explained the basis for the \$1,250. fee. He pointed out that, if the program is adopted, the City Council would continue to set the priorities for storm drainage facilities as is the present policy. The new program would just provide some additional funds for drainage.

City Manager Graves suggested the discussion of this matter be continued to an adjourned meeting on Wednesday, March 22, 1972 in the event there may be interested persons who might like to present their views. He also felt that the effective date for a new rate schedule might be an important factor and suggested the Council set the effective date at this meeting.

Councilman Schaffer then moved the discussion of the matter be continued to an adjourned meeting on March 22, 1972. The motion was seconded by Councilman Kirsten.

After further discussion concerning the effective date of a new fee schedule, Councilman Hughes offered a substitute motion as follows: All developments for which a Tentative Map of Use Permit had been approved prior to March 15, 1972 would be subject to the policy then in effect; all development to be approved subsequent to March 15, 1972 would be subject to the new fee schedule.

Councilman Hughes' motion was seconded by Councilman Schaffer and carried by unanimous vote.

The original motion to continue discussion of the storm drainage fees to Wednesday, March 22, 1972 then carried by unanimous vote.

Minutes of March 15, 1972 continued

SCOUT  
CENTER

City Manager Graves reported that he had been informed by the Boy Scout Center Committee, both verbally and by letter, that they wished to terminate the lease with the City of Lodi for the Boy Scout Center as of January 1, 1972. The current lease would expire December 31, 1972. He indicated no Council action was necessary.

RATE  
INCREASE -  
MEDICAL  
INSURANCE

Assistant City Manager Peterson reported he had recently been informed by the City's insurance carrier for the employees' medical insurance that it would be necessary to increase the rates when the plan is due for renewal on April 1, 1972. The increase is estimated to be approximately 40%. Mr. Peterson recommended the Council authorize a transfer of funds in the amount of \$7,650. from the City's group insurance reserve fund now on deposit with the company, Pacific Mutual, to the company's operating fund, which would cover the increase and extend the City's contract to July 1, 1972 at which time a new contract will be negotiated.


On motion of Councilman Kirsten, Ehrhardt second, the City Council approved the transfer of funds as recommended by Mr. Peterson.

PROCLAMATION

Mayor Katnich proclaimed Sunday, March 26, 1972 as "Good News Day" in the City of Lodi.

ADJOURNMENT

At approximately 12:37 a.m. Mayor Katnich adjourned the meeting to Wednesday, March 22, 1972 at 8:00 p.m.

Attest:   
BESSIE L. BENNETT  
City Clerk